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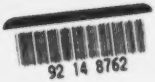

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SECURITIES AND EXCHANGE COMMISSION

Washington D. C. 20549

Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) of the Securities Exchange Act of 1934

PROCESSED BY
MAY 15 1992
Microfilmed by
Q-Data Corp. - St. Petersburg, FL

For Quarter Ended: March 31, 1992

Commission File No. **0-11808**

INAV TRAVEL CORPORATION

(Exact name of Registrant as specified in its charter)

Colorado	**59-2219994**
(State or other jurisdiction of incorporation or organization	(I.R.S Employer Identification Number)
210 West Sixth Street, Suite 300 Fort Worth, Texas	**76102**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(817) 332-1189**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No _____

Number of shares of Common Stock $.001 par value, outstanding as of the close of business May 1, 1992: 11,612,882

BEST COPY AVAILABLE

INAV TRAVEL CORPORATION

Form 10-Q

Quarter Ended March 31, 1992

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INAV TRAVEL CORPORATION

CONSOLIDATED BALANCE SHEETS

	March 31, 1992 (Unaudited)	December 31, 1991
ASSETS		
Cash	$ 119,199	$ 256,901
Trade Accounts Receivable, Net	59,433	28,599
Notes Receivable - Current	164,791	188,376
Inventory and Prepaid Expenses	30,632	52,342
Current Assets	374,055	526,218
Property and Equipment, Net	38,685	36,191
Assets held for resale	708,870	708,870
Notes receivable - Long term	319,889	323,638
Land held for investment	500,000	500,000
Other assets	27,086	25,037
Total Assets	$1,968,585	$2,119,954

INAV TRAVEL CORPORATION

CONSOLIDATED BALANCE SHEETS
(Continued)

	March 31, 1992 (Unaudited)	December 31, 1991
LIABILITIES AND STOCKHOLDERS' EQUITY		
Notes payable - current	$ 246,300	$ 246,299
Capital lease obligation	1,220	1,390
Accounts payable	22,580	8,844
Accrued liabilities	156,244	164,479
Total Current	426,344	421,012
Capital Lease Obligation-Long Term	2,078	2,282
Other liabilities	550,107	550,107
Total Liabilities	$ 978,529	$ 973,401
Stockholders' Equity:		
Common Stock (Par .001)	11,613	11,613
Additional Paid in Capital	2,343,953	2,357,158
Accumulated deficit	(1,243,955)	(1,074,479)
Unamortized stock compensation	(95,816)	(122,000)
Treasury Stock	(25,739)	(25,739)
Total Stockholders' Equity	990,056	1,146,553
TOTAL LIABILITIES AND EQUITY	$1,968,585	$2,119,954

INAV TRAVEL CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,	
	1992	1991
SALES:		
Travel Sales	$ 531,766	$ 496,952
Sporting Goods Sales	28,543	-
Total Sales Revenue	560,309	496,952
COST OF SALES:		
Cost of Sales - Travel	474,906	442,910
Cost of Sales - Sporting Goods	21,866	-
Total Cost of Sales	496,772	442,910
GROSS PROFIT	63,537	54,042
OPERATING EXPENSES:		
Advertising and promotion expenses	38,431	-
Other general and administrative expenses	204,381	145,513
Total Operating Expenses	242,812	145,513
LOSS FROM OPERATIONS	(179,275)	(91,471)
OTHER INCOME AND (EXPENSES):		
Interest Expense	(4,987)	(8,051)
Other, Net	14,786	7,401
Total Other	9,799	(650)
NET LOSS	$ (169,476)	$ (92,121)
NET LOSS PER SHARE	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	11,612,882	8,251,539

INAV TRAVEL CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW

	Three Months Ended March 31,	
	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(169,476)	$ (92,121)
Adjustments to reconcile net loss to cash used by operating activities:		
Depreciation and amortization	31,812	6,175
Change in accounts receivable	(30,834)	(5,464)
Change in notes receivable	27,334	(15,241)
Change in accounts payable	13,736	4,810
Change in accrued liabilities	(8,235)	7,752
Change in inventory, prepaid expenses and other assets	6,456	(7,493)
Other	(3,417)	-
NET CASH USED BY OPERATING ACTIVITIES	(132,624)	(101,582)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of equipment held for resale	-	41,953
Purchase of property and equipment	(4,704)	-
Payments related to the acquisition of Twistee Treat Corporation	-	(132,559)
NET CASH USED BY INVESTING ACTIVITIES	(4,704)	(90,606)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of borrowing	-	(4,473)
Repayments of capital lease obligation	(374)	(776)
NET CASH USED BY FINANCING ACTIVITIES	(374)	(5,249)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(137,702)	(197,437)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	256,901	416,558
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 119,199	$ 219,121
SUPPLEMENTAL INFORMATION - Cash paid during the period for interest	$ 5,625	$ 1,354

See notes to financial statements

INAV Travel Corporation

Notes to Consolidated Financial Statements

1. UNAUDITED INFORMATION

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted, although management believes the disclosures herein are adequate to make the information presented not misleading. These interim financial statements should be read in conjunction with the most recent financial statements of INAV Travel Corporation included in the Company's report on Form 10K for the year ended December 31, 1991.

The interim financial information included herein is unaudited; however it reflects all adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of financial position, results of operations and cash flows for the interim periods. The results of operation for the three months ended March 31, 1992 are not necessarily indicative of the results to be expected for the full year.

2. BASIS OF PRESENTATION

As described in Note 3, on February 14, 1991 the shareholders of Thomas Enterprises, Inc. (Thomas) obtained 6,320,896 shares (including a 1,000,000 share finders' fee), or approximately 62% of the outstanding shares, of Twistee Treat Corporation (Twistee), a publicly owned company, in exchange for all the outstanding shares of Thomas. Following the transaction the Company changed its name to INAV Travel Corporation. For accounting purposes, the exchange of shares has been treated as a recapitalization by Thomas under the Twistee capital structure, and an issuance of equity by Thomas for Twistee's net tangible assets. The accounting treatment is similar to a purchase with Thomas the acquiring entity. Accordingly, the financial statements of the combined entity reflect the historical accounts for Thomas and the accounts of Twistee are included beginning February 1, 1991.

3. ACQUISITION OF TWISTEE TREAT CORPORATION

On February 14, 1991, the shareholders of Thomas exchanged all their shares for approximately 62% of Twistee Treat and Thomas became a wholly owned subsidiary of Twistee. The management of Thomas became the management of the combined company. Following the transaction, the Company changed its name to INAV Travel Corporation.

For accounting purposes, the transaction has been treated as a recapitalization by Thomas under the Twistee capital structure, and an issuance of equity by Thomas for Twistee's net tangible assets valued at approximately $1,943,000 as of January 31, 1991, the effective date for accounting purposes. Costs directly associated with the transaction of $95,468 were offset against the value of the net assets acquired. The accounting treatment is similar to a purchase with Thomas as the acquiring entity. The financial statements of the combined company reflect the historical accounts of Thomas and include the operations of Twistee beginning February 1, 1991.

During the period following the transaction through February 14, 1992, the Company continued to obtain information regarding the market values of Twistee's net assets at the time of the transaction, and the carrying values of such assets were reduced by $437,652. The reduction was accounted for as an adjustment to the purchase of Twistee Treat.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

INAV Travel Corporation ("the Company") was formed through the merger in February 1991 of Twistee Treat Corporation ("TWST"), a publicly owned company currently in Chapter 11 bankruptcy, and Thomas Enterprises, Inc. ("Thomas"), which operated a full service travel agency in Fort Worth, Texas.

As of the date hereof, TWST remains under the jurisdiction of the United States Bankruptcy Court and will continue to be under such jurisdiction until a final order of discharge is entered by the Court. With the settlement of certain major lawsuits brought against Twistee Treat and certain other matters completed under the terms of the bankruptcy decree, the Company has applied to the Court for a final order of discharge. However, a former executive of Twistee Treat, who is also a creditor, has filed a motion with the Court to convert the case to a Chapter 7 liquidation. The Company believes that it has overcome major and costly obstacles with the settlement of the major lawsuits and remains committed to the payment of priority claims and unsecured creditors as the assets held for resale are sold and as soon as practicable. The Company also believes that it should pay creditors on an equal basis and not give any one creditor preferential treatment.

On February 14, 1991, the shareholders of Thomas obtained approximately 62% of the outstanding shares of TWST in exchange for all the outstanding shares of Thomas. Although TWST is the surviving entity for legal purposes, Thomas is treated as the acquiring entity for accounting purposes. **Accordingly, the respective financial statements of the combined entity reflect the historical accounts of Thomas, and the accounts of TWST are included beginning February 1, 1991, which is considered the effective date for accounting purposes.**

On September 24, 1991, Thomas, formally a wholly owned subsidiary of the Company, was dissolved and all assets and liabilities were transferred to the Company.

The Company is now engaged in effecting the necessary reorganization of the Twistee Treat affairs in order to finalize the bankruptcy, attempting to sell assets held for resale in order to pay priority and unsecured creditors under the terms of the bankruptcy, managing its travel agency and exploring development opportunities in the direct merchandise marketing business.

RESULTS OF OPERATIONS FOR THE 3 MONTH PERIODS ENDED MARCH 31, 1992 AND 1991

This section compares INAV Travel Corporation for the quarter ended March 31, 1992, with the Company in the corresponding period in the prior year, during which the merger between Twistee Treat and Thomas Enterprises took place.

In the first quarter of 1992, travel sales and gross profit increased slightly as compared with the same period in 1991. General and Administrative expenses, as compared with the same period in 1991, increased by 97,299. This increase was mainly due to personnel costs; legal, accounting, stock exchange and transfer agent fees associated with the merger and with being a public company; and costs of development, advertising and direct mail programs. Operating Loss increased by a similar amount of $87,804, as compared with the first quarter 1991.

The scale and nature of the Company's business activities changed significantly in 1991 at the time of the merger. The obligations of the merged company including the Twistee Treat obligations, continue to surpass the ability of the existing Thomas business and new business activities to cover the combined expenses.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 1992, the Company was obligated to pay unsecured creditors a total of $549,608, after payments totaling $91,465 since the merger. There is no designated time period required for the payment of the unsecured claims. At March 31, 1992, the Company was also obligated to pay priority claims of $95,758, after payments totaling $29,546 since the merger. The Company does not have the funds to pay its unsecured and priority claims at this time, but anticipates, but cannot assure, that funds to pay these claims will be obtained through the sale of and realization of assets held for sale and notes receivable. Also on that date, the Company had negative working capital of $52,589.

In addition, as of March 31, 1992, the Company had current assets of $374,055 (primarily cash and notes receivable due within one year) and non current notes receivable and assets for resale of $1,028,759. The company is attempting to liquidate these assets at a rate necessary to pay its bankruptcy obligations and to satisfy its own overhead expenses. At March 31, 1992, the Company also had land held for investment with a cost basis of $500,000, which it currently has on the market to sell. Since the merger, the Company has sold assets for $ 436,089 in cash and notes, but has been hampered by a sluggish Florida real estate market where a majority of the assets are located. Management cannot predict when sales of these remaining assets will occur.

The Company intends to use proceeds from the asset sales, if any, to pay costs associated with the sale and maintenance of assets, legal fees, back ad valorem taxes and repay creditors. Any remainder of the proceeds and the Company's remaining cash balance, if any, would be used in the development of its travel and other business.

The Company has debt created when it drew down funds for working capital on a bank credit facility in 1989 and 1990. This bank debt had a balance at March 31, 1992 of $246,300. The interest rate in effect at March 31, 1991 was 8 percent.

The Company has been unable to generate sufficient cash flow from operations to implement its business plan. Unless it is able to generate profitable operations or raise additional funds, it may be unable to continue as a going concern. The Company may attempt to sell stock through private placements or obtain additional bank financing in 1992 as necessary to fund the growth activities of the travel and direct marketing business. There can be no assurance that the Company can be successful in this regard.

SIGNATURE

Pursuant to the requirements of the securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned whereunto duly authorized.

Date: May ___, 1992

Henry T. Stanley, President
Principal Financial Officer